

and Girls Ranches to provide services to children and has the potential of bankrupting and closing the ranches permanently.

Because the future of philanthropy in the United States as we now know it is at stake and the future of the New Mexico Boys and Girls Ranches and many other New Mexico charities is threatened, I am urgently asking you to co-sponsor (if you have not already done so) and support HR 2519, introduced jointly by Representative Thomas Bailey of Virginia, Chairman of the House Commerce Committee and Representative Jack Fields of Texas, Chairman of that committee's subcommittee on Telecommunications and Finance. I also urge you to co-sponsor and support HR 2525, introduced by representative Henry Hyde, Chairman of the House Judiciary Committee.

I would deeply appreciate hearing from you as soon as possible. I thank you in advance for your help in addressing this crisis. I honestly feel that the work of the charitable community throughout this nation will be seriously damaged if this legislation is not passed very soon.

Sincerely yours,

MICHAEL H. KULL,  
President.

Mr. STEARNS. Mr. Speaker, I rise in strong support of H.R. 2519, legislation to modify our federal securities laws to preclude litigation that is threatening the future funding of our Nation's numerous philanthropic organizations.

Philanthropic organizations are some of the most important organizations in the United States today. These charitable, religious and educational groups have the laudable goal of providing assistance, support and hope to those in society that may need a helping hand.

When an individual makes the generous decision to contribute to a charitable donation fund, the charity should not be prevented from enjoying the benefits derived from that contribution because some disgruntled relative, feeling that the money should go in their pockets, makes a claim on the money. Such relatives should not be allowed to initiate lawsuits on these grounds especially when the donor made a valid gift with sufficient donative intent.

Charitable donations funds fall outside the purview of our securities laws for the simple reason that donors do not intend to reap high returns on their investments. Instead they are seeking to make a gift to charity.

I urge all my colleagues to support H.R. 2519 to prevent contributions intended for charitable donation funds out of the pockets of selfish relatives.

□ 1500

Mr. MARKEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR). Pursuant to the rule, the previous question is ordered on the amendment in the nature of a substitute and the bill.

The question is on the amendment in the nature of a substitute offered by the gentleman from Virginia [Mr. BLILEY].

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken.

Mr. MARKEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, further proceedings on this bill will be postponed.

The point of no quorum is considered withdrawn.

#### GENERAL LEAVE

Mr. FIELDS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to insert extraneous material on H.R. 2519.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### CHARITABLE GIFT ANNUITY ANTITRUST RELIEF ACT OF 1995

The Clerk called the bill (H.R. 2525) to modify the operation of the antitrust laws, and of State laws similar to the antitrust laws, with respect to charitable gift annuities.

The Clerk read the bill, as follows:

H.R. 2525

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Charitable Gift Annuity Antitrust Relief Act of 1995".

#### SEC. 2. MODIFICATION OF ANTITRUST LAWS.

(a) EXEMPT CONDUCT.—Except as provided in subsection (b), it shall not be unlawful under any of the antitrust laws, or under a State law similar to any of the antitrust laws, for 2 or more persons described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) that are exempt from taxation under section 501(a) of such Code to use, or to agree to use, the same annuity rate for the purpose of issuing 1 or more charitable gift annuities.

(b) LIMITATION.—Subsection (a) shall not apply with respect to the enforcement of a State law similar to any of the antitrust laws, with respect to conduct described in subsection (a) occurring after the State enacts a statute, not later than 3 years after the date of the enactment of this Act, that expressly provides that subsection (a) shall not apply with respect to such conduct.

#### SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) ANNUITY RATE.—The term "annuity rate" means the percentage of the fair market value of a gift (determined as of the date of the gift) given in exchange for a charitable gift annuity, that represents the amount of the annual payment to be made to 1 or 2 annuitants over the life of either or both under the terms of the agreement to give such gift in exchange for such annuity.

(2) ANTITRUST LAWS.—The term "antitrust laws" has the meaning given it in subsection

(a) of the first section of the Clayton Act (15 U.S.C. 12), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition.

(3) CHARITABLE GIFT ANNUITY.—The term "charitable gift annuity" has the meaning given it in section 501(m)(5) of the Internal Revenue Code of 1986 (26 U.S.C. 501(m)(5)).

(4) PERSON.—The term "person" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)).

(5) STATE.—The term "State" has the meaning given it in section 4G(2) of the Clayton Act (15 U.S.C. 15g(2)).

#### SEC. 4. APPLICATION OF ACT.

This Act shall apply with respect to conduct occurring before, on, or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

#### GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2525.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2525, the Charitable Gift Annuity Antitrust Relief Act, which provides antitrust protection for nonprofit organizations that issue charitable gift annuities. H.R. 2525 has been crafted in an extremely narrow manner, so as to protect only very limited conduct and to avoid application to any potential anti-competitive conduct. I am pleased to be joined by the ranking member of the Judiciary Committee, Mr. CONYERS, in sponsoring this bipartisan measure.

Charitable gift annuities are one of the oldest and most commonly used planned giving vehicles in existence today. Many charities, including relatively small ones, issue dozens of gift annuity contracts each year, and they do so within rules established by the Internal Revenue Code. You have all probably seen the advertisements for charities that promise to "pay you an income for life." This is what a gift annuity does, and it is the kind of giving that H.R. 2525 is designed to protect.

When a person enters into a gift annuity agreement, he or she is actually doing two things—making a charitable gift and purchasing a fixed income for life. Probably, if the donor could afford to do so, he or she would turn over to the organization as an outright gift the entire amount paid for the annuity; but the donor needs to make some provision for income while alive. The important thing to remember is that gift annuities are not arms-length commercial insurance transactions. Donors expect charities to benefit from their gift, and they know the charities will